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**Vermont State Teachers Retirement Plan**



# Quarterly Plan Review

For the Period From January 1, 2017 to March 31, 2017

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## Plan Summary

### Total Assets

◆ Assets at March 31, 2017	\$88.94
◆ Less assets at December 31, 2016	<u>\$82.89</u>
◆ Asset change for the quarter	\$6.05

### Asset Components

◆ Contributions for the quarter	\$3.27
◆ Less distributions for the quarter	-\$0.93
◆ Net investment gain for the quarter	<u>\$3.71</u>
◆ Asset change for the quarter	\$6.05

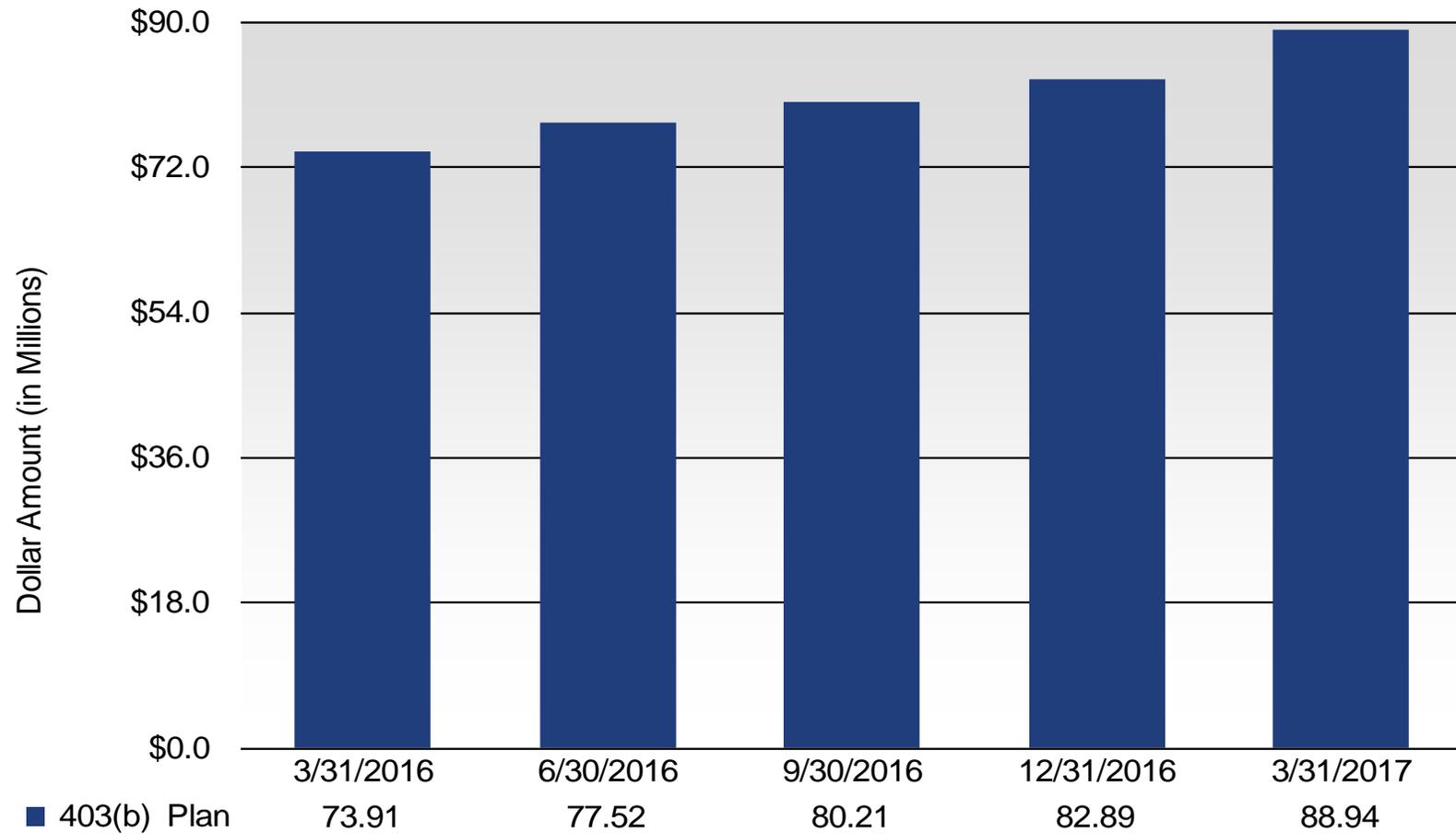
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## Plan Summary

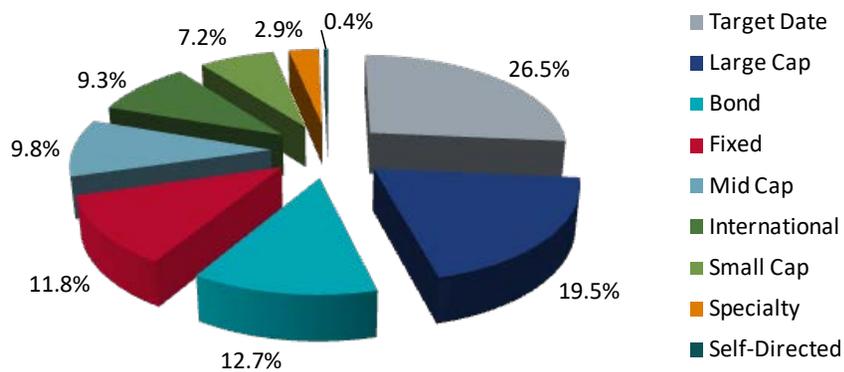
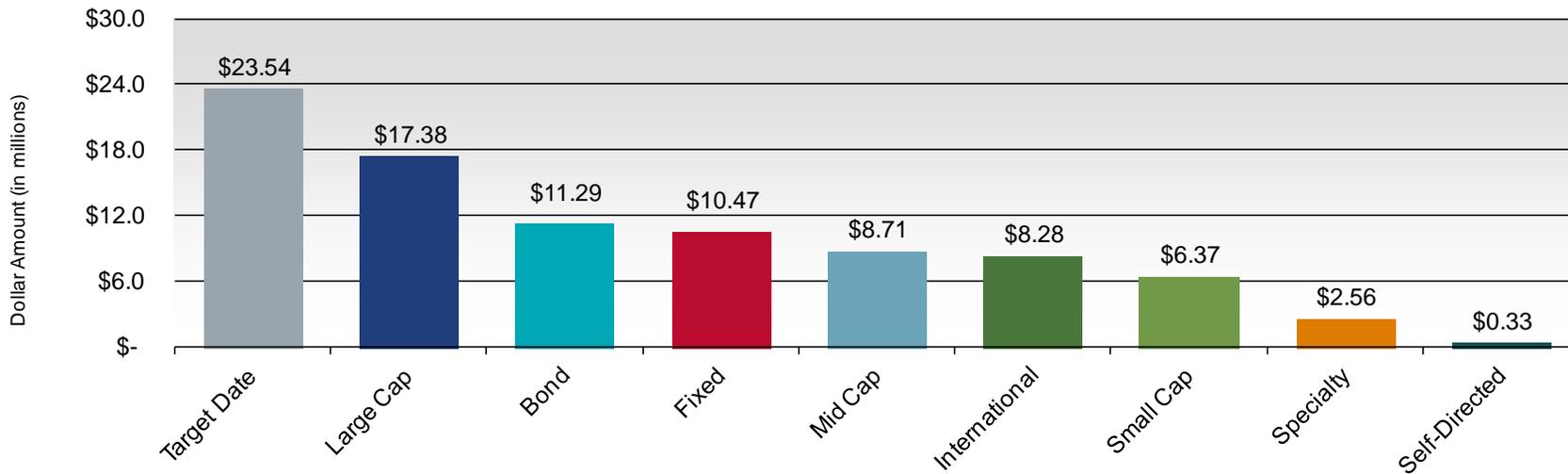
- ◆ Plan assets were at \$88.94 million as of March 31, 2017
- ◆ Plan assets grew by \$6.05 million (7.3%) from January 1, 2017 to March 31, 2017
- ◆ Contributions were \$3.27 million from January 1, 2017 to March 31, 2017
- ◆ From January 1, 2017 to March 31, 2017 there were 2,499 participants

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## Asset Growth



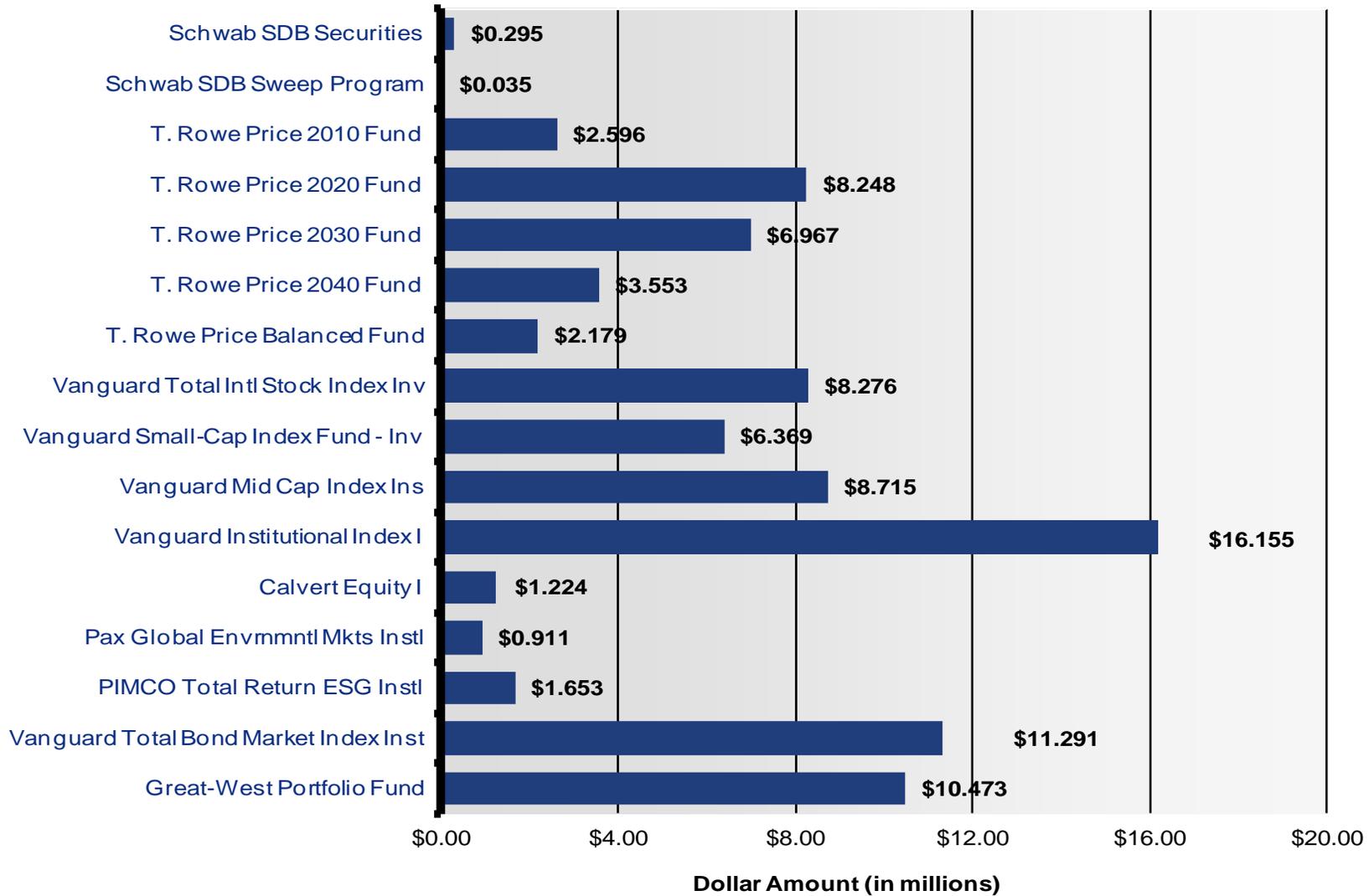
# Assets by Asset Class



## Percentage of Assets by Asset Class

<b>403(b) Plan</b>	Self Directed	Target Date	Internat'l	Small Cap	Mid Cap	Large Cap	Specialty	Bond	Fixed
1/1/2016 to 3/31/2016	0.4%	28.6%	9.0%	6.3%	10.0%	17.4%	6.0%	10.3%	11.9%
4/1/2016 to 6/30/2016	0.4%	27.2%	8.7%	7.1%	9.6%	17.9%	6.4%	10.8%	11.9%
7/1/2016 to 9/30/2016	0.4%	27.3%	8.7%	6.7%	9.3%	17.9%	6.3%	12.3%	11.3%
10/1/2016 to 12/31/2016	0.4%	27.0%	8.4%	6.7%	9.5%	18.3%	5.4%	13.1%	11.3%
1/1/2017 to 3/31/2017	0.4%	26.5%	9.3%	7.2%	9.8%	19.5%	2.9%	12.7%	11.8%

# Assets by Investment Options



# Asset Distribution by Fund

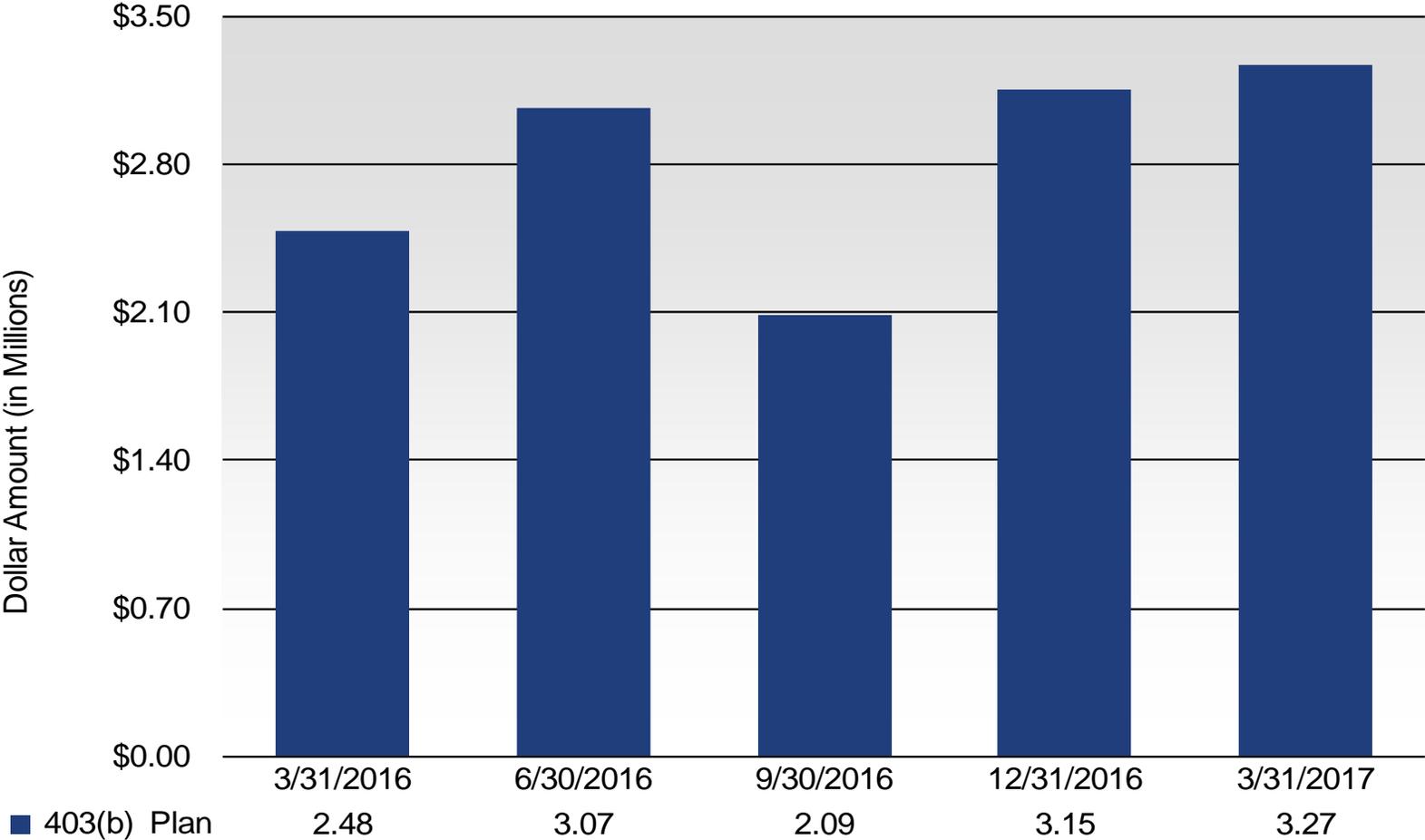
Active Participants:  
 3/31/2016 **2,414**  
 6/30/2016 **2,428**  
 9/30/2016 **2,473**  
 12/31/2016 **2,490**  
 3/31/2017 **2,499**

Average Account  
 Balance per Participant:  
 3/31/2016 **\$30,619**  
 6/30/2016 **\$31,925**  
 9/30/2016 **\$32,434**  
 12/31/2016 **\$33,287**  
 3/31/2017 **\$35,590**

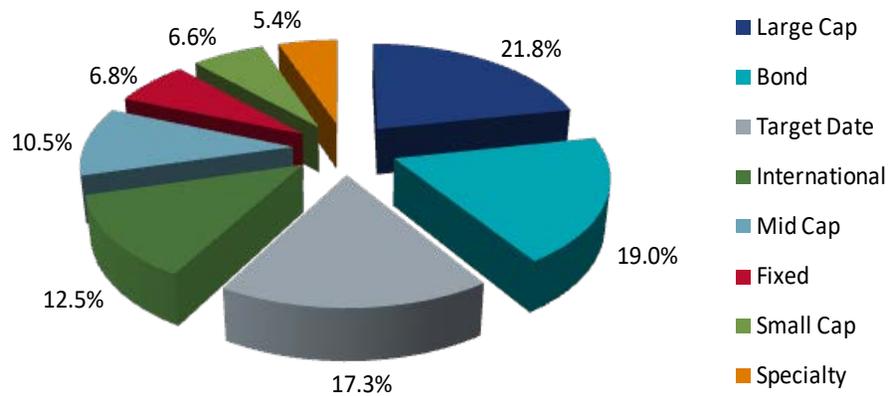
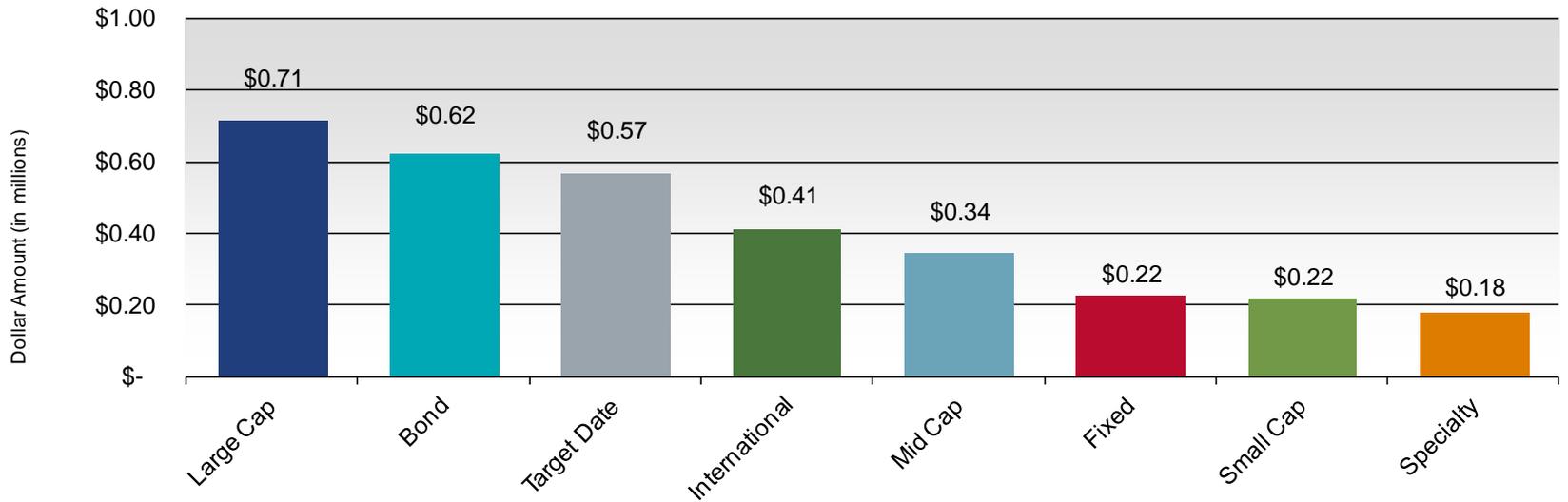
Average Number of  
 Investment Options  
 per Participant:  
 3/31/2016 **4.7**  
 6/30/2016 **4.8**  
 9/30/2016 **4.9**  
 12/31/2016 **4.9**  
 3/31/2017 **4.8**

Asset Class/Fund Name	12/31/2016			3/31/2017		
	Amount	Pct	Accts	Amount	Pct	Accts
<b>Self-Directed</b>						
Schw ab SDB Securities	282,026	0.3%	4	294,939	0.3%	4
Schw ab SDB Sweep Program	28,797	0.0%	4	34,817	0.0%	4
	<b>310,823</b>	<b>0.4%</b>		<b>329,756</b>	<b>0.4%</b>	
<b>Target Date</b>						
T. Rowe Price 2010 Fund	2,478,906	3.0%	73	2,596,338	2.9%	74
T. Rowe Price 2020 Fund	8,215,796	9.9%	209	8,247,866	9.3%	204
T. Rowe Price 2030 Fund	6,434,749	7.8%	208	6,967,093	7.8%	208
T. Rowe Price 2040 Fund	3,170,754	3.8%	163	3,552,757	4.0%	162
T. Rowe Price Balanced Fund	2,041,410	2.5%	152	2,178,785	2.4%	151
	<b>22,341,615</b>	<b>27.0%</b>		<b>23,542,838</b>	<b>26.5%</b>	
<b>International</b>						
Vanguard Total Intl Stock Index Inv	6,954,332	8.4%	1,551	8,275,706	9.3%	1,573
	<b>6,954,332</b>	<b>8.4%</b>		<b>8,275,706</b>	<b>9.3%</b>	
<b>Small-Cap</b>						
Vanguard Small-Cap Index Fund - Inv	5,523,861	6.7%	1,576	6,368,719	7.2%	1,598
	<b>5,523,861</b>	<b>6.7%</b>		<b>6,368,719</b>	<b>7.2%</b>	
<b>Mid-Cap</b>						
Vanguard Mid Cap Index Ins	7,895,468	9.5%	1,640	8,714,892	9.8%	1,666
	<b>7,895,468</b>	<b>9.5%</b>		<b>8,714,892</b>	<b>9.8%</b>	
<b>Large-Cap</b>						
Vanguard Institutional Index I	15,136,284	18.3%	1,585	16,154,678	18.2%	1,614
Calvert Equity I	0	0.0%	0	1,224,433	1.4%	145
	<b>15,136,284</b>	<b>18.3%</b>		<b>17,379,112</b>	<b>19.5%</b>	
<b>Specialty</b>						
Calvert Equity Portfolio A	1,117,244	1.3%	145	0	0.0%	-
Pax Global Envrnmntl Mkts Instl	1,858,007	2.2%	1,198	911,409	1.0%	771
PIMCO Total Return ESG Instl	1,540,726	1.9%	1,239	1,652,595	1.9%	1,136
	<b>4,515,977</b>	<b>5.4%</b>		<b>2,564,005</b>	<b>2.9%</b>	
<b>Bond</b>						
Vanguard Total Bond Market Index Inst	10,851,617	13.1%	1,470	11,291,240	12.7%	1,496
	<b>10,851,617</b>	<b>13.1%</b>		<b>11,291,240</b>	<b>12.7%</b>	
<b>Fixed</b>						
Great-West Portfolio Fund	9,355,460	11.3%	1,080	10,472,883	11.8%	1,248
	<b>9,355,460</b>	<b>11.3%</b>		<b>10,472,883</b>	<b>11.8%</b>	
	<b>82,885,437</b>	<b>100.0%</b>		<b>88,939,150</b>	<b>100.0%</b>	

# Contribution History



# Contribution by Asset Class

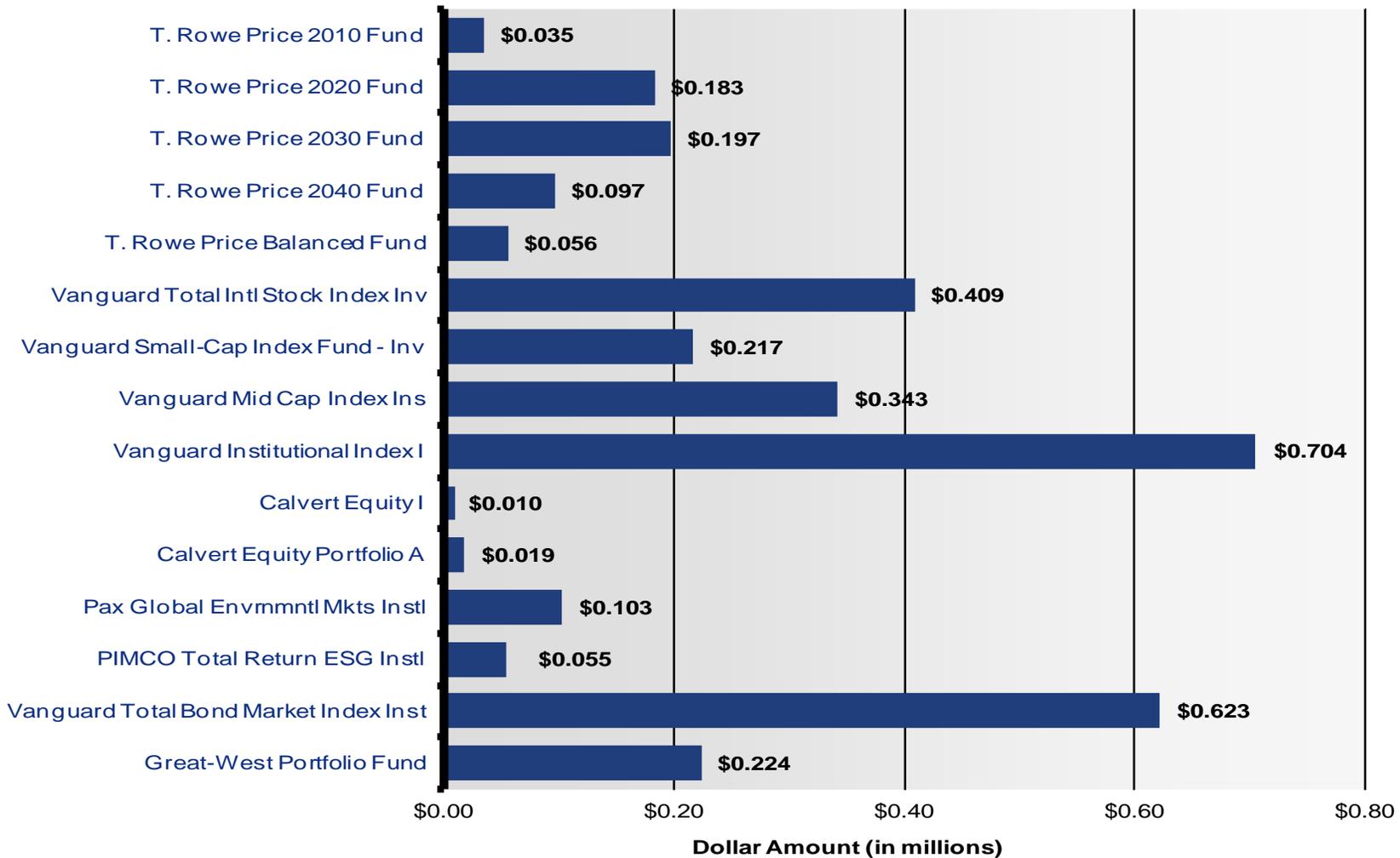


## Percentage of Contributions by Asset Class

<b>403(b) Plan</b>	Target Date	Internat'l	Small Cap	Mid Cap	Large Cap	Specialty	Bond	Fixed
1/1/2016 to 3/31/2016	25.3%	12.9%	8.0%	10.0%	18.1%	6.0%	10.7%	9.2%
4/1/2016 to 6/30/2016	24.3%	11.8%	7.6%	9.6%	18.8%	6.6%	11.4%	9.8%
7/1/2016 to 9/30/2016	26.3%	11.2%	7.3%	9.5%	19.0%	5.3%	12.9%	8.4%
10/1/2016 to 12/31/2016	26.0%	11.2%	8.5%	8.2%	17.9%	5.6%	14.8%	7.7%
1/1/2017 to 3/31/2017	17.3%	12.5%	6.6%	10.5%	21.8%	5.4%	19.0%	6.8%

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# Contributions by Investment Option



# Contributions by Fund

## Contributing Participants:

3/31/2016	<b>1,723</b>
6/30/2016	<b>1,753</b>
9/30/2016	<b>1,719</b>
12/31/2016	<b>1,735</b>
3/31/2017	<b>1,750</b>

## Average

### Contributions per Participant:

3/31/2016	<b>\$1,442</b>
6/30/2016	<b>\$1,750</b>
9/30/2016	<b>\$1,216</b>
12/31/2016	<b>\$1,816</b>
3/31/2017	<b>\$1,871</b>

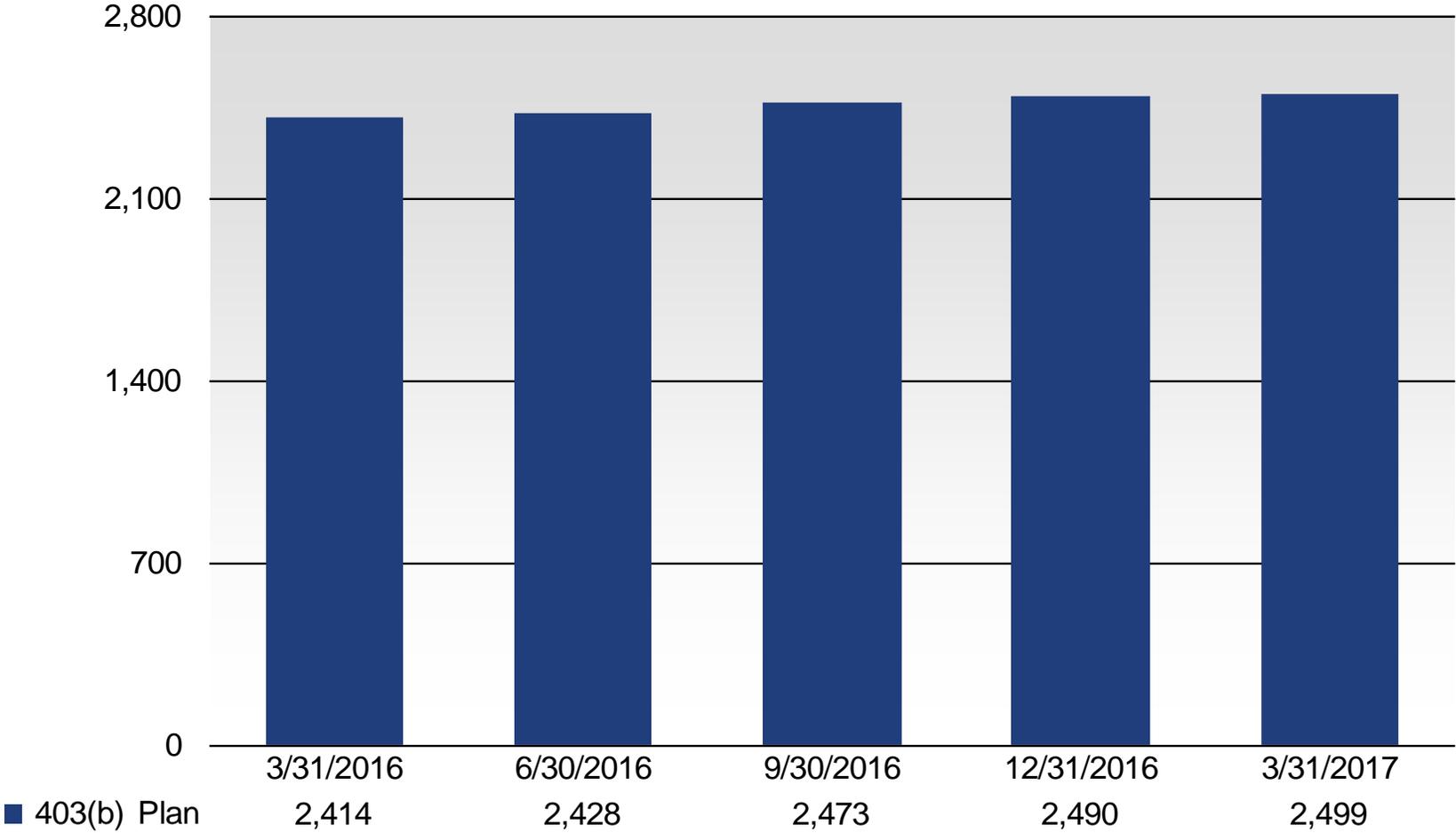
### Average Number of Investment Options per Participant:

3/31/2016	<b>4.9</b>
6/30/2016	<b>5.0</b>
9/30/2016	<b>5.6</b>
12/31/2016	<b>5.0</b>
3/31/2017	<b>4.9</b>

Asset Class/Fund Name	10/1/2016 to 12/31/2016			1/1/2017 to 3/31/2017		
	Amount	Pct	Accts	Amount	Pct	Accts
<b>Target Date</b>						
T. Rowe Price 2010 Fund	44,372	1.4%	37	35,191	1.1%	37
T. Rowe Price 2020 Fund	232,997	7.4%	149	182,914	5.6%	143
T. Rowe Price 2030 Fund	318,434	10.1%	156	197,329	6.0%	154
T. Rowe Price 2040 Fund	156,387	5.0%	112	96,722	3.0%	109
T. Rowe Price Balanced Fund	68,115	2.2%	74	55,656	1.7%	68
	<b>820,305</b>	<b>26.0%</b>		<b>567,812</b>	<b>17.3%</b>	
<b>International</b>						
Vanguard Total Intl Stock Index Inv	353,023	11.2%	1,159	408,899	12.5%	1,174
	<b>353,023</b>	<b>11.2%</b>		<b>408,899</b>	<b>12.5%</b>	
<b>Small-Cap</b>						
Vanguard Small-Cap Index Fund - Inv	266,940	8.5%	1,188	216,995	6.6%	1,198
	<b>266,940</b>	<b>8.5%</b>		<b>216,995</b>	<b>6.6%</b>	
<b>Mid-Cap</b>						
Vanguard Mid Cap Index Ins	259,447	8.2%	1,219	342,770	10.5%	1,233
	<b>259,447</b>	<b>8.2%</b>		<b>342,770</b>	<b>10.5%</b>	
<b>Large-Cap</b>						
Vanguard Institutional Index I	565,182	17.9%	1,182	704,035	21.5%	1,203
Calvert Equity I	0	0.0%	-	10,055	0.3%	101
	<b>565,182</b>	<b>17.9%</b>		<b>714,091</b>	<b>21.8%</b>	
<b>Specialty</b>						
Calvert Equity Portfolio A	33,192	1.1%	105	18,619	0.6%	102
Pax Global Envrnmntl Mkts Instl	89,513	2.8%	923	103,406	3.2%	918
PIMCO Total Return ESG Instl	53,585	1.7%	525	55,179	1.7%	131
	<b>176,290</b>	<b>5.6%</b>		<b>177,204</b>	<b>5.4%</b>	
<b>Bond</b>						
Vanguard Total Bond Market Index Inst	464,930	14.8%	1,067	622,631	19.0%	1,085
	<b>464,930</b>	<b>14.8%</b>		<b>622,631</b>	<b>19.0%</b>	
<b>Fixed</b>						
Great-West Portfolio Fund	244,117	7.7%	746	223,592	6.8%	841
	<b>244,117</b>	<b>7.7%</b>		<b>223,592</b>	<b>6.8%</b>	
	<b>3,150,236</b>	<b>100.0%</b>		<b>3,273,993</b>	<b>100.0%</b>	

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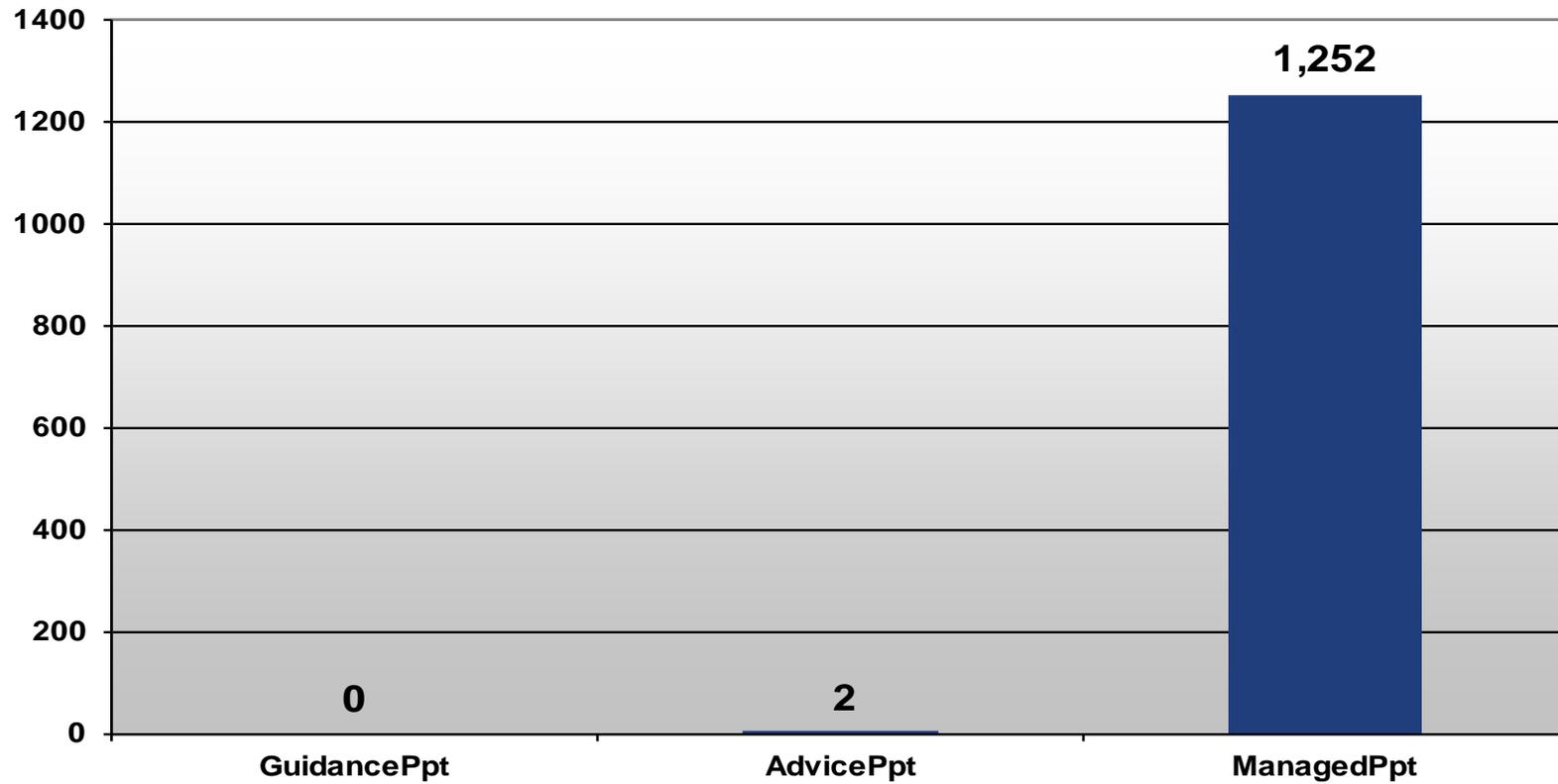
# Plan Participation



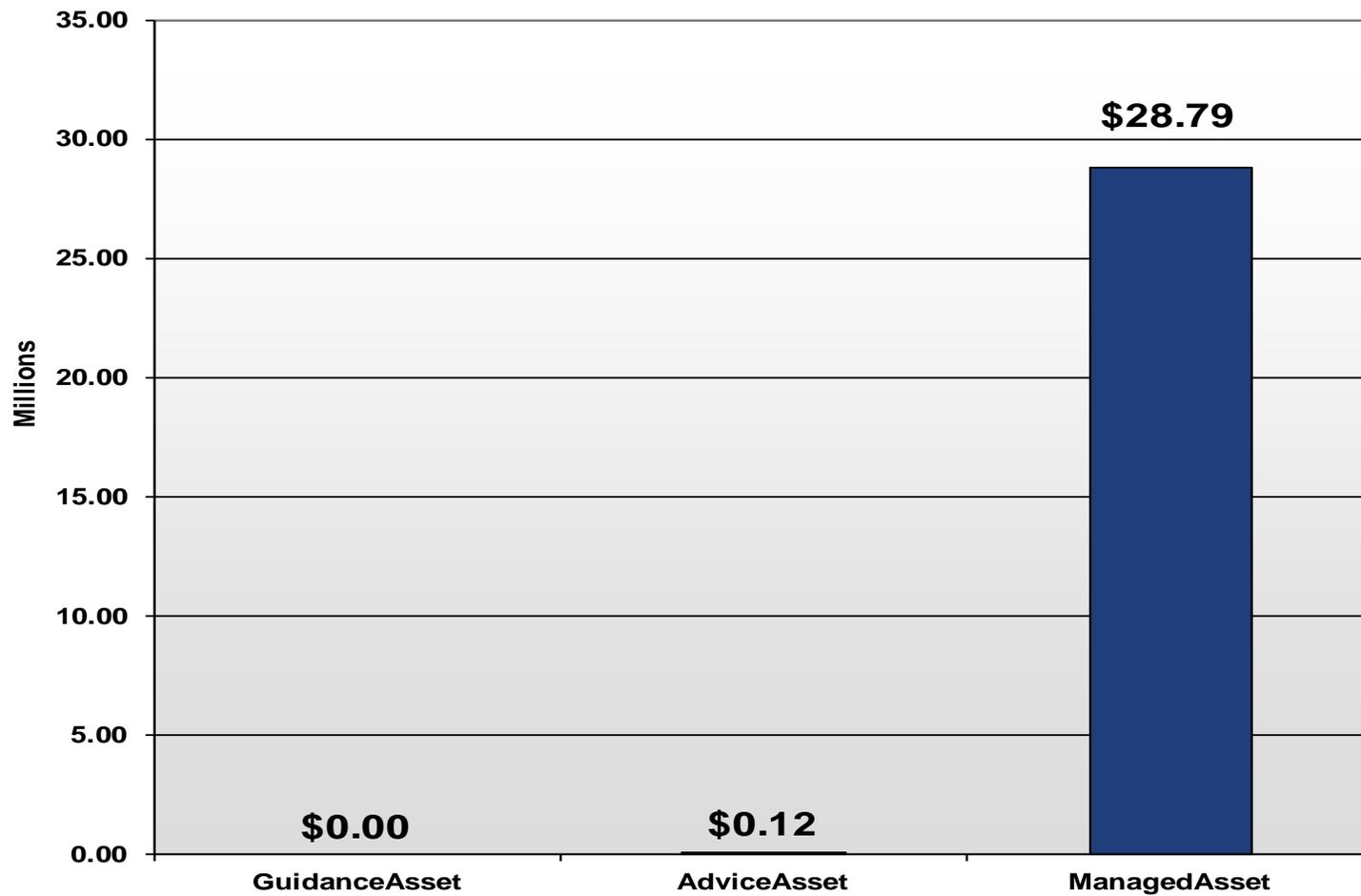
# Benefit Payment Distribution

	10/1/2016 to 12/31/2016			1/1/2017 to 3/31/2017		
	Amount	Pct	Count	Amount	Pct	Count
<b><u>Full Withdrawals</u></b>						
Retirement	254,544	26.2%	6	444,911	47.7%	6
Separation of Service	496,707	51.1%	17	179,011	19.2%	8
<b>Total Full Withdrawals:</b>	<b>751,251</b>	<b>77.2%</b>	<b>23</b>	<b>623,922</b>	<b>67.0%</b>	<b>14</b>
<b><u>Partial Withdrawals</u></b>						
Age 59½	5,209	0.5%	2	151,221	16.2%	4
Benefit Payment	850	0.1%	1	0	0.0%	0
Contribution Exchange	58,694	6.0%	2	39,443	4.2%	1
Hardship	4,000	0.4%	1	7,323	0.8%	2
In Service	43,478	4.5%	1	0	0.0%	0
Loan	12,224	1.3%	3	7,060	0.8%	1
Minimum Distribution	122	0.0%	1	0	0.0%	0
Retirement	47,503	4.9%	4	35,000	3.8%	2
Separation of Service	9,525	1.0%	2	0	0.0%	0
Service Credit	8,997	0.9%	2	40,000	4.3%	1
<b>Total Partial Withdrawals:</b>	<b>190,603</b>	<b>19.6%</b>	<b>19</b>	<b>280,047</b>	<b>30.1%</b>	<b>11</b>
<b><u>Periodic Payments</u></b>						
Beneficiary Payment	1,700	0.2%	1	2,550	0.3%	1
Minimum Distribution	8,294	0.9%	8	3,334	0.4%	5
Retirement	20,775	2.1%	8	21,925	2.4%	8
<b>Total Periodic Payments:</b>	<b>30,769</b>	<b>3.2%</b>	<b>17</b>	<b>27,809</b>	<b>3.0%</b>	<b>14</b>
	<b>972,623</b>	<b>100.0%</b>	<b>59</b>	<b>931,778</b>	<b>100.0%</b>	<b>39</b>

## Service Utilization by Number of Participants



## Service Utilization by Assets



## Total Plan Field Activity For Supervisory Union

Field Activity	1st Quarter 2017	2nd Quarter 2017	3rd Quarter 2017	4th Quarter 2017	YTD Totals (01/01/17 - 03/31/17)
Group Meetings	2				2
Total Appointments	199				199
New Enrollments	63				63
Increases by AE	26				26
Managed Amounts by AE Annualized Contributions	\$1,764,390				\$1,764,390
Managed Account Participants - New	60				60
Roll Ins	\$949,970				\$949,970

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# ADVISED ASSETS

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## GROUP

# FUND PERFORMANCE REVIEW

## **Vermont State Teacher's Retirement System 403(b) Investment Program | 96500-01** Reporting Period Ending March 31, 2017

The analytical material contained herein merely describes the process that Advised Assets Group applies in evaluating funds. It may or may not be based on the plan's current investment policy and is not intended to be used by plan sponsor as a primary basis for deciding whether to make a particular fund available under the plan. Funds listed on the Fund Performance Review are designed to meet stated investment objectives and risk profiles, but do not constitute investment advice from Advised Assets Group or its affiliate. Plan fiduciaries should review the educational material provided and consult with their investment advisers if necessary to make the investment decision. Neither Advised Assets Group, nor its representatives, agents or affiliates are permitted to give legal, ERISA, or tax advice. Any discussion of these matters included or related to this document or other educational information is provided for informational purposes only. Such discussion does not purport to be complete or to cover every situation. Current tax and ERISA law are subject to interpretation and legislative change. The appropriateness of any product for any specific taxpayer may vary depending on the particular set of facts and circumstances. You should consult with and rely on your own legal and tax advisers.

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# FUND PERFORMANCE REVIEW

## IMPORTANT DISCLOSURES

The Fund Performance Review is compiled at the request of the Plan Sponsor and/or broker. It is designed as a high level analytical tool to aide plan sponsors in carrying out their fiduciary responsibilities; it is not intended as investment advice. Plan Sponsors may wish to review the enclosed material with their investment adviser, consultant or broker, if necessary, prior to making final investment decisions.

Funds listed on the Fund Performance Review are designed to meet stated investment objectives and risk profiles. Risks associated with the investment options can vary significantly and the relative risks of investment categories may change under certain economic conditions. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be more or less than their original cost. Current performance may be lower or higher than performance data shown due to market activity. Past performance is not a guarantee of future results.

# FUND PERFORMANCE REVIEW: OVERVIEW

- OBJECTIVE:**
- To quantify historical fund performance relative to peer group benchmarks.
  - To identify funds that have consistently underperformed over the long-term.
  - To assist in identifying style drift and discern gaps within the plan portfolio.

- FUNDAMENTALS:**
- An objective analysis based on set criteria.
  - Based on long-term and risk-adjusted performance.
  - Comparison against peer group of similar funds as determined by *Morningstar, Inc.*®

- SOURCE:**
- Statistics are derived from an independent third-party: *primarily Morningstar Direct*®

- SCOPE:**
- The Fund Performance Review is designed as a high level analytical tool to aide plan sponsors in carrying out their fiduciary responsibilities.

The purpose of this document is to provide investment-related information only for the plan sponsor in its role as a fiduciary to the Plan, not as investment advice for plans or plan participants. Although the data contained in this report is from reliable sources, Advised Assets Group, LLC cannot guarantee its completeness or accuracy. Risks associated with investment options can vary significantly with each particular investment category and the relative risks of categories may change under certain economic conditions. The investment return and principal of an investment will fluctuate so that an investor's shares, when redeemed, may be more or less than their original cost.

**Current performance may be lower or higher than performance data shown due to market volatility. Past performance is no guarantee of future returns.**

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# FUND PERFORMANCE REVIEW (FPR): CRITERIA

- **OVERALL RATING:** Based on performance, risk-adjusted performance and the Overall Morningstar Rating™.
    - **Return Composite:** Determined by taking the equal weighted average of the 3, 5 and 10 year category return percentiles.
    - **Sharpe Composite:** Calculated by averaging the 3 and 5 year category Sharpe percentiles.
    - **Overall Composite:** The equally weighted average of the Return Composite and Sharpe Composite.
    - **Overall Morningstar Rating™:** Represents a measure of an investment's risk-adjusted return, relative to similar investments.
- The Overall Composite is the sole determinate for the Overall Rating for funds that do not have an Overall Morningstar Category Rating.

Overall Composite		Overall Morningstar Rating	Overall Rating
> 50.0%	AND	5, 4, or 3	Above
≥ 50.0%	OR	5, 4, or 3	Neutral
< 50.0%	AND	1, or 2	Below
< 25.0%			Below

- **LONG-TERM ROLLING ANALYSIS:** Based on the accumulated trailing 12 quarters "Overall Ratings".

Consecutive number of Quarters Receiving a Below Rating		Total number of Quarters Below out of trailing 12 quarters	Long-Term Rolling Analysis *
< 4 Quarters	AND	< 7 Quarters	Pass
≥ 4 Quarters	OR	≥ 7 Quarters	Fail
OR			
Overall Rating: < 25.0%			Fail

\*. 'Pass' and 'Fail' ratings in the long-term rolling analysis are not available for target date funds or Great-West SecureFoundation funds. Morningstar's category classification system has not evolved to address differences in target-date glidepaths. The current system separates funds only by target retirement date and does not consider the level of equity in the glidepath (i.e. how aggressive or conservative the glidepath is versus peers). Plans should consider how their demographics align with their chosen target date glidepath rather than attempt to "time the market" by changing glidepaths based on peer performance rankings. All target-date funds will receive an 'N/A' rating in the FPR. The Great-West SecureFoundation funds will also receive an 'N/A' rating in the FPR. These funds are unique in that they also require the purchase of a Guaranteed Lifetime Withdrawal Benefit (Guarantee) either as a fixed deferred annuity contract, a certificate to a group fixed deferred annuity contract, or a rider to a variable annuity contract. The Guarantee provides guaranteed income for the life of a designated person(s), provided certain conditions are met. Plan Sponsors that seek this feature should take a long-term, holistic view with

For expanded definitions of the Composites, Sharpe Ratio and Ratings, please refer to the corresponding glossary. Information for this fund evaluation was received from what we believe to be reliable sources, but we cannot absolutely guarantee accuracy. The performance data quoted within represents past performance and is not a guarantee or indication of future investment results. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of the funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages). The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures with its three-, five-, and then-year (if-applicable) Morningstar Rating metrics. Past Performance is no guarantee of future results.

# PERFORMANCE SUMMARY

## ADVISED ASSETS GROUP

Morningstar Category	Ticker Symbol	Fund Name	Overall Rating <sup>1</sup>					Long-Term Rolling Analysis <sup>2</sup>		
			Composite %			Mstar Rating	Consecutive Quarters Below	# of Quarters Below Out of Trailing 12	Pass	
			Overall	Return	Sharpe					
International <sup>11</sup>	World Stock	PGINX Pax Global Environmental Mrkts Instl	58.0	63.0	52.0	4	Above	0	1 out of 12	Pass
Large-Cap	Large Growth	CEYIX Calvert Equity I	58.0	44.0	71.0	4	Above	0	0 out of 12	Pass
Asst All/Other	Target-Date 2060+	TRRLX T. Rowe Price Retirement 2060	N/A	N/A	N/A	N/A	N/A	0	0 out of 12	N/A
	Target-Date 2040	TRRDY T. Rowe Price Retirement 2040	85.0	92.0	77.0	5	Above	0	0 out of 12	N/A
	Target-Date 2030	TRRCX T. Rowe Price Retirement 2030	84.0	93.0	75.0	5	Above	0	0 out of 12	N/A
	Target-Date 2050	TTRMX T. Rowe Price Retirement 2050	84.0	89.0	80.0	5	Above	0	0 out of 12	N/A
	Target-Date 2020	TRRBX T. Rowe Price Retirement 2020	81.0	97.0	65.0	5	Above	0	0 out of 12	N/A
	Target-Date 2000-2010	TRRAX T. Rowe Price Retirement 2010	75.0	92.0	59.0	4	Above	0	0 out of 12	N/A
	Allocation--30% to 50% Equity	TRRIX T. Rowe Price Retirement Balanced	60.0	59.0	61.0	4	Above	0	0 out of 12	Pass
Bond <sup>30</sup> /MMF <sup>12</sup>	Intermediate-Term Bond	PTSAX PIMCO Total Return ESG Institutional	58.0	72.0	43.0	4	Above	0	0 out of 12	Pass
Index Funds <sup>15</sup>	Foreign Large Blend	VGTSX Vanguard Total Intl Stock Index Inv (Idx)	53.0	56.0	50.0	3	N/A	0	0 out of 12	Pass
	Small Blend	NAESX Vanguard Small Cap Index Inv (Idx)	74.0	71.0	77.0	4	N/A	0	0 out of 12	Pass
	Mid-Cap Blend	VMCIX Vanguard Mid Cap Index Institutional (Idx)	77.0	70.0	84.0	4	N/A	0	0 out of 12	Pass
	Large Blend	VINIX Vanguard Institutional Index I (Idx)	91.0	87.0	94.0	5	N/A	0	0 out of 12	Pass
	Intermediate-Term Bond	VBPIX Vanguard Total Bond Market Index I (Idx)	43.0	48.0	38.0	3	N/A	0	0 out of 12	Pass

Please refer to the Appendix page for additional footnotes

# RETURN ANALYSIS

## ADVISED ASSETS GROUP

Fund Name	1st Quarter 2017 Return	1st Quarter 2017 Percent	Performance vs. Benchmark (Annualized Returns and Return Percentiles)									
			1 Year Return	1 Year Percent	3 Year Return	3 Year Percent	5 Year Return	5 Year Percent	10 Year Return	10 Year Percent	Incept. Date	
International <sup>11</sup>	World Stock Peer Group	7.20	50	13.66	50	4.35	50	8.46	50	4.25	50	N/A
	Pax Global Environmental Mrkts Instl	6.72	42	15.77	76	4.35	50	9.51	76	N/A	N/A	03/27/2008
Large-Cap	Large Growth Peer Group	8.89	50	15.00	50	9.00	50	11.85	50	7.82	50	N/A
	Calvert Equity I	7.01	23	9.42	6	8.48	41	10.96	33	8.10	58	11/01/1999
Asst All/Other	T. Rowe Price Retirement 2060	6.90	93	15.06	72	N/A	N/A	N/A	N/A	N/A	N/A	06/23/2014
	T. Rowe Price Retirement 2040	6.89	97	14.90	87	6.46	92	9.88	92	6.17	93	09/30/2002
	T. Rowe Price Retirement 2030	6.08	97	13.35	90	6.07	93	9.18	93	5.90	94	09/30/2002
	T. Rowe Price Retirement 2050	6.93	97	15.08	79	6.52	89	9.91	90	6.18	87	12/29/2006
	T. Rowe Price Retirement 2020	5.00	97	11.14	94	5.33	96	7.87	96	5.53	98	09/30/2002
	T. Rowe Price Retirement 2010	3.75	93	8.55	84	4.42	87	6.19	88	4.97	100	09/30/2002
	T. Rowe Price Retirement Balanced	3.39	73	7.68	52	3.83	67	5.14	49	4.72	60	09/30/2002
Bond <sup>30</sup> /MMF <sup>12</sup>	Intermediate-Term Bond Peer Group	1.00	50	1.49	50	2.50	50	2.53	50	4.26	50	N/A
	PIMCO Total Return ESG Institutional	1.44	85	2.49	72	2.69	63	2.76	61	5.35	93	05/01/1991
Index Funds <sup>15</sup>	Vanguard Total Intl Stock Index Inv (Idx)	8.41	78	13.65	84	1.02	66	4.75	35	1.32	66	04/29/1996
	Vanguard Small Cap Index Inv (Idx)	3.70	84	21.36	39	7.27	61	12.74	69	8.06	83	10/03/1960
	Vanguard Mid Cap Index Institutional (Idx)	6.19	89	16.73	40	8.69	73	12.89	73	7.85	64	05/21/1998
	Vanguard Institutional Index I (Idx)	6.05	70	17.13	67	10.34	93	13.27	88	7.51	81	07/31/1990
	Vanguard Total Bond Market Index I (Idx)	0.91	40	0.44	23	2.61	57	2.28	36	4.26	50	09/18/1995

Please refer to the Appendix page for additional footnotes

# SHARPE RATIO AND EXPENSE ANALYSIS

Fund Name	Sharpe Ratio and Percentiles				Standard Deviation		Expense Ratio	Expense %	Manager Tenure	Fund Size \$ MM	
	3 Yr Ratio	3 Yr %	5 Yr Ratio	5 Yr %	3 Yr	5 Yr					
International <sup>11</sup>	World Stock Peer Group	0.430	50	0.760	50	10.97	11.47	1.18	50	-	-
	Pax Global Environmental Mrkts Instl	0.390	42	0.800	62	12.27	12.14	0.98	72	9	395.0
Large-Cap	Large Growth Peer Group	0.780	50	1.020	50	11.67	11.52	0.99	50	-	-
	Calvert Equity I	0.880	77	1.080	65	9.55	10.03	0.70	84	2	2071.0
Asst All/Other	T. Rowe Price Retirement 2060	N/A	N/A	N/A	N/A	N/A	N/A	0.76	56	3	231.0
	T. Rowe Price Retirement 2040	0.680	76	1.000	78	9.67	9.79	0.76	60	15	19279.0
	T. Rowe Price Retirement 2030	0.706	75	1.024	74	8.61	8.85	0.72	62	15	27499.0
	T. Rowe Price Retirement 2050	0.680	79	1.000	81	9.68	9.79	0.76	61	10	8052.0
	T. Rowe Price Retirement 2020	0.730	66	1.040	64	7.19	7.47	0.66	65	15	26262.0
	T. Rowe Price Retirement 2010	0.780	65	1.050	52	5.50	5.78	0.59	63	15	5568.0
	T. Rowe Price Retirement Balanced	0.766	68	1.019	53	4.83	4.90	0.57	93	15	2828.0
Bond <sup>30</sup> /MMF <sup>12</sup>	Intermediate-Term Bond Peer Group	0.810	50	0.820	50	2.90	2.96	0.70	50	-	-
	PIMCO Total Return ESG Institutional	0.770	43	0.780	43	3.27	3.38	0.50	77	3	1052.0
Index Funds <sup>15</sup>	Vanguard Total Intl Stock Index Inv (Idx)	0.130	66	0.420	34	11.71	12.62	0.18	96	9	262498.0
	Vanguard Small Cap Index Inv (Idx)	0.572	73	0.995	80	13.55	12.78	0.20	97	1	74868.0
	Vanguard Mid Cap Index Institutional (Idx)	0.770	83	1.140	85	11.39	11.14	0.07	98	19	83595.0
	Vanguard Institutional Index I (Idx)	0.982	94	1.264	94	10.41	10.20	0.04	98	16	222543.0
	Vanguard Total Bond Market Index I (Idx)	0.780	44	0.710	32	3.14	3.03	0.05	98	4	177875.0

Please refer to the Appendix page for additional footnotes

# ANNUAL RETURNS AND STATISTICS

Fund Name	Calendar Year Returns					MPT Statistics (3 year)			Portfolio Construction			
	2016	2015	2014	2013	2012	Alpha	Beta	R2	Turnover Ratio	Number of Holdings	% in Top 10 Holdings	
International <sup>11</sup>	World Stock Peer Group	5.46	-1.08	2.64	26.43	17.04	N/A	N/A	N/A	N/A	N/A	N/A
	Pax Global Environmental Mrkts Instl	10.91	-1.21	-2.53	32.37	19.47	-2.11	1.15	90	30	47	29.0%
Large-Cap	Large Growth Peer Group	2.84	4.55	10.59	34.55	15.66	N/A	N/A	N/A	N/A	N/A	N/A
	Calvert Equity I	2.71	4.19	11.57	31.17	16.14	-0.99	0.85	95	44	92	37.0%
Asst All/Other	T. Rowe Price Retirement 2060	7.63	0.24	N/A	N/A	N/A	N/A	N/A	N/A	26	18	87.0%
	T. Rowe Price Retirement 2040	7.63	0.17	6.18	25.93	17.55	0.88	0.94	97	15	18	87.0%
	T. Rowe Price Retirement 2030	7.69	-0.02	6.05	23.09	16.82	1.02	0.84	97	15	19	84.0%
	T. Rowe Price Retirement 2050	7.71	0.19	6.19	25.90	17.55	0.93	0.94	97	12	18	88.0%
	T. Rowe Price Retirement 2020	7.41	-0.31	5.63	18.05	15.01	0.84	0.90	98	16	19	84.0%
	T. Rowe Price Retirement 2010	7.11	-0.76	4.99	11.93	12.44	0.59	0.92	98	14	17	92.0%
	T. Rowe Price Retirement Balanced	6.48	-0.74	3.91	9.15	10.05	0.45	0.80	97	12	17	93.0%
Bond <sup>30</sup> /MMF <sup>12</sup>	Intermediate-Term Bond Peer Group	2.95	0.05	5.56	-1.69	6.60	N/A	N/A	N/A	N/A	N/A	N/A
	PIMCO Total Return ESG Institutional	2.96	0.41	4.54	-2.07	9.69	0.05	0.74	80	454	729	43.0%
Index Funds <sup>15</sup>	Vanguard Total Intl Stock Index Inv (Idx)	4.65	-4.37	-4.24	15.05	18.14	0.45	0.94	97	4	6047	7.0%
	Vanguard Small Cap Index Inv (Idx)	18.17	-3.78	7.37	37.62	18.04	0.26	0.93	99	14	1439	3.0%
	Vanguard Mid Cap Index Institutional (Idx)	11.23	-1.33	13.78	35.17	16.01	-0.12	0.99	98	15	352	7.0%
	Vanguard Institutional Index I (Idx)	11.93	1.37	13.65	32.35	15.98	-0.02	1.00	100	5	516	18.0%
	Vanguard Total Bond Market Index I (Idx)	2.61	0.41	5.91	-2.14	4.18	-0.23	1.07	99	61	17716	4.0%

Please refer to the Appendix page for additional footnotes

# INDEX PERFORMANCE

Index		Total Return 1 Year	Total Return Annlzd 3 Year	Total Return Annlzd 5 Year	Total Return Annlzd 10 Year	Annual Return 2016	Annual Return 2015	Annual Return 2014	Annual Return 2013	Annual Return 2012
International <sup>11</sup>	MSCI EMF ID	14.53	-1.23	-1.65	0.31	8.58	-16.96	-4.63	-4.98	15.15
	MSCI Eafe Ndrtr_D	11.67	0.50	5.83	1.05	1.00	-0.81	-4.90	22.78	17.32
	MSCI World Ndrtr_D	14.77	5.52	9.37	4.21	7.51	-0.87	4.94	26.68	15.83
Small-Cap <sup>14</sup>	Russell 2000 Growth	23.03	6.72	12.10	8.06	11.32	-1.38	5.60	43.30	14.59
	Russell 2000	26.22	7.22	12.35	7.12	21.31	-4.41	4.89	38.82	16.35
	Russell 2000 Value	29.37	7.62	12.54	6.09	31.74	-7.47	4.22	34.52	18.05
Mid-Cap	Russell Midcap Growth	14.07	7.88	11.95	8.13	7.33	-0.20	11.90	35.74	15.81
	Standard & Poor's Midcap 400	20.92	9.36	13.32	8.96	20.74	-2.18	9.77	33.50	17.88
	Russell Midcap Value	19.82	8.94	14.07	7.47	20.00	-4.78	14.75	33.46	18.51
Large-Cap	Russell 1000 Growth	15.76	11.27	13.32	9.13	7.08	5.67	13.05	33.48	15.26
	Standard & Poor's 500 TR	17.17	10.37	13.30	7.51	11.96	1.38	13.69	32.39	16.00
	Russell 1000 Value	19.22	8.67	13.13	5.93	17.34	-3.83	13.45	32.53	17.51
Bond <sup>30</sup> /MMF <sup>12</sup>	BBgBarc US Aggregate Bond	0.44	2.68	2.34	4.27	2.65	0.55	5.97	-2.02	4.21
	BBgBarc US Capital Credit	2.96	3.52	3.70	5.29	5.63	-0.77	7.53	-2.01	9.37
	BBgBarc US Mortgage-Backed	0.17	2.69	2.04	4.16	1.67	1.51	6.08	-1.41	2.59
	BBgBarc US Government Bond	-1.34	2.04	1.59	3.78	1.05	0.86	4.92	-2.60	2.02
	BBgBarc US 1-3 Year Government	0.25	0.74	0.65	2.07	0.87	0.57	0.64	0.37	0.51

Please refer to the Appendix page for additional footnotes

# IMPORTANT DISCLOSURES

Footnote Subscript	Disclosure
1	The Overall Rating is derived from the 3, 5 and 10 year net-of-fee performance figures, the 3 and 5 year Sharpe Ratio and the Morningstar Rating.
2	The Long-Term Rolling Analysis accumulates the trailing 12 quarter Overall Ratings and determines a Pass / Fail designation accordingly.
3	The Fund Performance Review is a proprietary high level analytical tool that is used to evaluate fund performance and is not intended as an offer or solicitation of securities, or as investment advice.
4	MSCI EMF ID: A capitalization-weighted index of stocks from 26 emerging markets that only includes issues that may be traded by foreign investors. The reported returns reflect equities priced in US dollars and do not include the effects of reinvested dividends.
5	A Percentile Ranking of 100% represents the best in class performance, whereas 0% represents the lowest.
6	MSCI Eafe Ndrtr_D: Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.
7	Please check on the availability of the Great-West product and its Blue Sky status for NAV.
8	MSCI World Ndrtr_D: Includes all 23 MSCI developed market countries. Ndrtr_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies.
9	Russell 2000 Growth: Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values.
10	Russell 2000: Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.
11	Foreign investments, if part of the fund lineup, involve special risks, including currency fluctuations and political developments.
12	An investment in a Money Market Portfolio/Fund, if part of the portfolio/fund lineup, is not insured or guaranteed by the Federal Deposit Insurance Corporation. Although the portfolio/fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the portfolio/fund.
13	Russell 2000 Value: Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values.
14	Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
15	Index Funds are not provided an overall rating as their objective is to track their respective index, not to outperform managed funds.
16	Russell Midcap Growth: Market-weighted total return index that measures the performance of companies within the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.
17	Standard & Poor's Midcap 400: Includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range.
18	Russell Midcap Value: Market-weighted total return index that measures the performance of companies within the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.
19	Barra Large Cap Growth: Market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the lowest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.
20	Standard & Poor's 500: A market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard and Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation.
21	Barra Large Cap Value: Market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the highest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.
22	Barclays Capital Aggregate Bond: Composed of the Barclays Capital Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index.
23	Bar Cap Credit: Listed for corporate bond-general and high-quality funds. This index tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC-registered, investment-grade corporate debt.
24	Bar Cap Mortgage-Backed: Includes 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA).
25	Bar Cap Government Bond: Listed for government-bond general and Treasury funds because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations. This index is effective for tracking portfolios holding non-mortgage government securities.

# IMPORTANT DISCLOSURES

Footnote Subscript	Disclosure
26	Bar Cap 1-3 Year Government: Comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government).
27	In certain instances the fund shown and the related data is the load waived share class.
28	Investment options available in the plan may be through mutual funds and / or a group fixed annuity contract. Total return performance shown above represents that of the underlying fund and does not include a deduction for any applicable annuity contract of administrative fees / expenses. Performance numbers shown above would be less after applicable fees / expenses are deducted.

# APPENDIX A - ADDITIONAL DISCLOSURES

3. Foreign investments involve special risks, including currency fluctuations and political developments.
  4. Specialty funds limit the number of issuers in which they invest and are generally non-diversified.
  5. Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.
  6. Index funds are not provided an overall rating as their objective is to track their respective index, not to outperform managed funds.
  7. *An investment in a money market fund, if part of the fund lineup, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and it should not be expected that the sponsor will provide financial support to the fund at any time.*
  8. Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.
  9. A bond fund's yield, share price, and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise, and vice versa.
- Shares of the series of Great-West Funds, Inc. are not available to the general public but are offered only to insurance company separate accounts for certain variable annuity contracts and variable life policies, to individual retirement account (IRA) custodians or trustees, to plan sponsors of qualified retirement plans and to college savings programs.

The principal underwriter of Great-West Funds, Inc. is its affiliate GWFS Equities, Inc., Member FINRA/SIPC. Great-West Capital Management, LLC (GWCM) is the investment adviser. GWFS Equities, Inc., Great-West Funds, Inc. and GWCM are subsidiaries of Great-West Life & Annuity Insurance Company (GWL&A). The Great-West Lifetime Fund, Great-West SecureFoundation Lifetime Funds, Great-West SecureFoundation Balanced Fund, and the Great-West Profile Funds may invest in funds advised by GWCM, funds are sub-advised by affiliated and unaffiliated sub-advisers retained by GWCM or funds that are advised by affiliated and unaffiliated investment advisers of GWCM or in a fixed-interest contract issued and guaranteed by GWL&A.

Certain Great-West funds are managed by sub-advisers who manage other mutual funds having similar names and investment objectives. While their investment management may be similar to, or modeled after, those other mutual funds, the Great-West funds are not directly related to any other mutual funds. Consequently, the investment performance and other features of other mutual funds and any similarly named Great-West Fund may differ substantially.

Putnam funds are managed by Putnam Investment Management. Putnam mutual funds are distributed by Putnam Retail Management. Putnam is affiliated with GWL&A and subsidiaries.

# APPENDIX B - GLOSSARY

**12b-1 Fee** The maximum annual charge deducted from fund assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure.

**Actively managed** A fund attempts to add portfolio value through such active investment techniques as sector allocation (top-down) and/or security selection (bottom-up).

**Aggressive Growth** (Objective) Funds that seek high growth of capital. Investments may include smaller companies, companies in newly-emerging industries or in special situations (i.e., turnaround, mergers & acquisitions, etc.).

**Alpha** is the coefficient that measures the portion of an investment's return arising from non-market or unsystematic risk. In actively managed portfolios, alpha is considered to be the value added by the manager through sector or security selection. A negative alpha would indicate that active management had produced less-than-market returns.

**Annual Returns** Total returns calculated on a calendar-year basis. The annual return for a fund will be the same as its trailing 12-month total return only at year-end.

**Annualized Returns** Returns for periods longer than one year are expressed as "annualized returns." This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period.

**Asset Allocation** (Objective) Funds that seek high total return by investing in a mix of equities, fixed-income securities and money market instruments.

**Barclays Capital Aggregate Index** Composed of the Barclays Capital Govt/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns published for the index are total returns, which include reinvestment of dividends.

**Barclays Capital Government Bond Index** Listed for government-bond general and Treasury funds. Because it tracks the returns of U.S. Treasuries, agency bonds, and one- to three-year U.S. government obligations, this index is effective for tracking portfolios holding non-mortgage government securities. The returns published for the index are total returns, which include reinvestment of dividends.

**Basis Point** One-hundredth of a percentage point. For example, 50 basis points equals .50%.

**Beta** also known as market or systematic risk, beta is the coefficient that measures an investment's volatility relative to "the market" (the S & P 500 Index has a beta of 1.00) as a whole. Portfolios with a beta greater than 1.00 will move higher or lower than the market as a whole, while those with betas of less than 1.00 will move less than the market.

**Bond funds** Contrary to individual bonds, which offer a guaranteed rate of return, bond funds are variable funds and their returns may rise or fall depending on market conditions. Funds with 70% or more of their assets invested in bonds are classified as Bond Funds. Bond funds are divided into two main groups: Taxable Bond and Municipal Bond. Taxable Bond Fund categories include the following: Long-Term Government, Intermediate-Term Government, Short-Term Government, Long-Term Bond, Intermediate-Term Bond, Short-Term Bond, Ultrashort-Bond, International- Bond, High-Yield Bond, Emerging-Markets Bond and Multisector Bond.

**Capital Appreciation** The market rise in share value of a company as it experiences growth in earnings and/or assets. By extension, funds will experience capital appreciation as the underlying securities in their portfolios appreciate in value.

**Capitalization** The total market value of all stock issued by a company. Funds are frequently categorized by the market capitalization of the stocks in their portfolios; i.e., "small cap" generally refers to companies valued by the market at less than \$1 billion, "Mid-cap" to companies valued between \$1 billion and \$5 billion, and "Large-cap" to companies valued at more than \$5 billion.

**Corporate Bond--General** (Objective) Funds that seek income by investing in fixed-income securities. Funds with this objective may hold a variety of issues, including but not limited to government bonds, high-quality corporates, mortgages, asset-backed, bank loans and junk bonds.

**Corporate Bond--High Yield** (Objective) Funds that seek income by generally investing 65% or more of their assets in bonds rated below BBB. The price of these issues is generally affected more by the condition of the issuing company (similar to a stock) than by the interest-rate fluctuation that usually causes bond prices to move up and down.

**Diversification** The investment practice of spreading assets in a portfolio among a number of different companies, industries, sectors and/or instruments. Under Modern Portfolio Theory, the practice of diversification may assist an investor in reducing overall portfolio risk and evening out portfolio returns.

**Domestic equity funds** are placed in a category based on the style and size of the stocks they typically own. The style and size parameters are based on the divisions used in the investment style box: Value, Blend, or Growth style and Small, Medium, or Large median market capitalization.

**Equity-Income** (Objective) Funds that are expected to pursue current income by investing at least 65% of their assets in dividend-paying equity securities.

**Excess Returns** The percentage of fund assets paid for operating and administrative expenses, as well as management fees. Fund expenses are reflected in a Fund's NAV.

# APPENDIX B - GLOSSARY (CONTINUED)

**Expense Ratio** The percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

**Foreign Stock Category** An international fund having no more than 10% of stocks invested in the United States.

**Fund of Funds** A fund that specializes in buying shares in other mutual funds rather than individual securities. Quite often this type of fund is not discernible from its name alone, but rather through prospectus wording (i.e.: the fund's charter).

**Government Bond--General** (Objective) Offerings that pursue income by investing in a combination of mortgage-backed securities, Treasuries, and agency securities.

**Growth** (Objective) Funds that pursue capital appreciation by investing primarily in equity securities. Current income, if considered at all, is a secondary concern.

**Growth and Income** (Objective) Growth of capital and current income are near-equal objectives for these funds. Investments are typically selected for both appreciation potential and dividend-paying ability.

**Index Fund** A fund that tracks a particular index and attempts to match returns. While an index typically has a much larger portfolio than a mutual fund, the fund's management may study the index's movements to develop a representative sampling, and match sectors proportionately.

**International Equity Funds** with 40% or more of their equity holdings in foreign stocks (on average over three years) are placed in the international equity class. These categories include Europe, Japan, International Hybrid, Latin America, Diversified Pacific, Pacific ex. Japan, Specialty Precious Metals, Diversified Emerging Markets, World Stock, and Foreign Stock. Foreign investments involve special risks, including currency fluctuations and political developments.

**Life Cycle** These funds are geared toward investors of a certain age or with a specific time horizon for investing. Typically they are grouped together in sets (i.e. conservative, moderate, and aggressive portfolios).

**Management Fees** The management fee is the percentage deducted from fund assets to pay an advisor or subadvisor. Often, as the fund's net assets grow, the percentage deducted for management fees decreases. For example, a particular fund may report a management fee of 0.40% on the first \$500 million in assets, 0.35% on all assets between \$500 million and \$1 billion, and 0.30% on assets in excess of \$1 billion. Thus, if the fund contains \$1.5 billion in total net assets, the advisor scales back its management fees accordingly. Alternatively, the fund may compute the fee as a flat percentage of average net assets.

The management fee might also come in the form of a group fee (G), a performance fee (P), or a gross income fee (I). Note: The management fee is just one (albeit a major) component of a fund's costs. The overall expense ratio is the most useful number for investors. Actual fees are also noted in this section.

**Morningstar** was founded in 1984 to provide investors with useful information for making intelligent, informed investment decisions. The company's first product, originally named the Mutual Fund Sourcebook, proved to be innovative in its ability to tap into an underserved market. Soon a demand grew for an even more in-depth and analytical publication, leading to the launch of Morningstar Mutual Funds in late 1986. Morningstar and Advised Assets Group are separate and unaffiliated. The Morningstar name is a registered mark of Morningstar. Marks used in conjunction with Morningstar products or services are the property of Morningstar or its subsidiaries.

**Morningstar Category** identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). If the fund is new and has no portfolio, we estimate where it will fall before assigning a more permanent category. When necessary, we may change a category assignment based on current information.

**MSCI EAFE Ndtr\_D** Listed for foreign stock funds (EAFE refers to Europe, Australasia, and Far East). Widely accepted as a benchmark for international stock performance, the EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world. Ndtr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty. The returns published for the index are total returns, which include reinvestment of dividends.

**MSCI World Ndtr\_D** Includes all 23 MSCI developed market countries. Ndtr\_D indexes are calculated daily and take into account actual dividends reinvested daily before withholding taxes, but exclude special tax credits declared by companies. In addition, Ndtr\_D indexes subtract withholding taxes retained at the source, for foreigners who do not benefit from a double taxation treaty.

**Mutual fund** An investment option that pools money from many shareholders and invests it in a group of stocks, bonds, or other securities. Also known as an open-end investment management company, mutual funds are securities required to be registered with the SEC.

# APPENDIX B - GLOSSARY (CONTINUED)

**NAV** Stands for net asset value, which is the fund's share price. Funds compute this value by dividing the total net assets by the total number of shares.

**Net Assets** The month-end net assets of the mutual fund, recorded in millions of dollars. Net-asset figures are useful in gauging a fund's size, agility, and popularity. They help determine whether a small company fund, for example, can remain in its investment-objective category if its asset base reaches an ungainly size.

**Overall Rating** The equal weighted average of the Return Composite and the Sharpe Composite. The Return Composite is the equal weighted average of the 3, 5, and 10 year category return percentiles. The Sharpe Composite is the equal weighted average of the 3 and 5 year category sharpe percentiles.

**Prospectus** A fund's formal written statement, generally issued on an annual basis. In this statement the fund sets forth its proposed purposes and goals, and other facts (e.g.: history and investment objective) that an investor should know in order to make an informed decision.

**Prospectus Objective** Indicates a particular fund's investment goals, based on the wording in a fund's prospectus.

**R-squared (R<sup>2</sup>)** measures the degree to which movement in one variable is related to the movement in another variable. Portfolios with a high R-squared will react similarly to various market conditions. By combining investments with low correlations, an investor can reduce the overall risk within a portfolio.

**Risk** Basically there are four types of risk: 1) inflation risk means your money may not earn enough in the long run because as prices go up the value of your money goes down; 2) market risk means you could lose money because the price of a stock may go down; 3) credit risk means a company or organization that borrowed your money may not be able to pay it back; and 4) interest rate risk means you could lose money because as interest rates go up the value of bond investments goes down.

**Russell 1000** Consists of the 1000 largest companies within the Russell 3000 index. Also known as the Market-Oriented Index, because it represents the group of stocks from which most active money managers choose. The returns published for the index are total returns, which include reinvestment of dividends.

**Russell 1000 Growth** Market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

**Russell 1000 Value** Market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable US equity market.

**Russell 2000** Consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization. The returns published for the index are total returns, which include reinvestment of dividends.

**Russell 2000 Growth** Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

**Russell 2000 Value** Market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable US equity market.

**Share Classes** Shares of the same fund that offer different shareholder rights and obligations, such as different fee and load charges. Common share classes are A (front-end load), B (deferred fees), C (no sales charge and a relatively high annual 12b-1 fee, such as 1.00%). Multi-class funds hold the same investment portfolio for all classes, and differ only in their surrounding fee structure.

**Sharpe Ratio** measures the risk-adjusted performance of a portfolio. It is calculated by subtracting the risk-free rate of return (i.e., the return on treasury bills) from the return of the portfolio as a whole, then dividing by the standard deviation of the returns. The higher the Sharpe Ratio, the better the risk-adjusted performance of the portfolio.

**Standard Deviation** A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.

**Tax-deferred earnings** You don't have to pay taxes on any earnings in your 401(k) until you withdraw your money. The money in a 401(k) can grow faster than with other types of savings plans, because the earnings you accumulate, if any, are also tax-deferred.

# APPENDIX B - GLOSSARY (CONCLUDED)

**Turnover Ratio** A measure of the percentage of holdings that have been "turned over" -- replaced with other holdings -- within a portfolio during the course of a year.

**Variable funds** Investments that fluctuate with market conditions. Unlike guaranteed investments, such as bonds or CDs, variable funds don't guarantee a specific rate of return. They do offer potential for higher earnings in return for higher degree of market risk.

**World Stock Category** An international fund having more than 10% of stocks invested in the US. Also known as global funds. Foreign Investments involve special risks, including currency fluctuations and political developments.

# Franklin Northeast Supervisory Union 403(b) Plan - 96520-01

## Non-Standardized Investment Performance as of 03/31/2017



Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit [www.VTRetirementSavings.com](http://www.VTRetirementSavings.com).

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about investments offered through your plan, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from your registered representative or Plan website. For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact your SDBA provider. Read them carefully before investing.

For additional fund information, please refer to the Fund Fact Sheet or Prospectus.

INVESTMENT OPTION	Ticker	Gross/Net Expense Ratio	Inception Date	Returns as of Month Ending 03/31/2017						Returns as of Quarter Ending 03/31/2017					Calendar Year Returns		
				1 Month YTD	1 Year	3 Year	5 Year	10 Year/ Since Inception	3 Month	1 Year	3 Year	5 Year	10 Year/ Since Inception	2016	2015	2014	
<b>Asset Allocation</b>																	
T. Rowe Price 2010 Fund <sup>2,16</sup>	TRRAX	0.59 / 0.59	09-30-2002	0.50	3.75	8.55	4.42	6.19	4.97	3.75	8.55	4.42	6.19	4.97	7.11	-0.76	4.99
T. Rowe Price 2020 Fund <sup>2,16</sup>	TRRBX	0.66 / 0.66	09-30-2002	0.80	5.00	11.14	5.33	7.87	5.53	5.00	11.14	5.33	7.87	5.53	7.41	-0.31	5.63
T. Rowe Price 2030 Fund <sup>2,16</sup>	TRRCX	0.72 / 0.72	09-30-2002	1.01	6.08	13.35	6.07	9.18	5.90	6.08	13.35	6.07	9.18	5.90	7.69	-0.02	6.05
T. Rowe Price 2040 Fund <sup>2,16</sup>	TRRDY	0.76 / 0.76	09-30-2002	1.18	6.89	14.90	6.46	9.88	6.17	6.89	14.90	6.46	9.88	6.17	7.63	0.17	6.18
T. Rowe Price 2050 Fund <sup>2,16</sup>	TRRMX	0.76 / 0.76	12-29-2006	1.22	6.93	15.08	6.52	9.91	6.18	6.93	15.08	6.52	9.91	6.18	7.71	0.19	6.19
T. Rowe Price 2060 Fund <sup>2,16</sup>	TRRLX	0.76 / 0.76	06-23-2014	1.21	6.90	15.06	N/A	N/A	5.40	6.90	15.06	N/A	N/A	5.40	7.63	0.24	N/A
T. Rowe Price Balanced Fund <sup>2,16</sup>	TRRIX	0.57 / 0.57	09-30-2002	0.49	3.39	7.68	3.83	5.14	4.72	3.39	7.68	3.83	5.14	4.72	6.48	-0.74	3.91
<b>International</b>																	
Pax Global Envrnmntl Mkts Instl <sup>6,15,16</sup>	PGINX	1.06 / 0.98	03-27-2008	1.00	6.72	15.77	4.35	9.51	5.35	6.72	15.77	4.35	9.51	5.35	10.91	-1.21	-2.53
Vanguard Total Intl Stock Index Inv <sup>6,16</sup>	VGTSX	0.18 / 0.18	04-29-1996	2.82	8.41	13.65	1.02	4.75	1.32	8.41	13.65	1.02	4.75	1.32	4.65	-4.37	-4.24
MSCI EAFE Index <sup>1,3,5,10</sup>	N/A	- / -		2.75	7.25	11.67	0.50	5.83	1.05	7.25	11.67	0.50	5.83	1.05	1.00	-0.81	-4.90
<b>Small Cap</b>																	
Vanguard Small-Cap Index Fund - Inv <sup>7,16</sup>	NAESX	0.20 / 0.20	10-03-1960	-0.24	3.70	21.36	7.27	12.74	8.06	3.70	21.36	7.27	12.74	8.06	18.17	-3.78	7.37
Russell 2000 Index <sup>1,3,5,13</sup>	N/A	- / -		0.13	2.47	26.22	7.22	12.35	7.12	2.47	26.22	7.22	12.35	7.12	21.31	-4.41	4.89
<b>Mid Cap</b>																	
Vanguard Mid Cap Index Ins <sup>9,16</sup>	VMCIX	0.07 / 0.07	05-21-1998	0.02	6.19	16.73	8.69	12.89	7.85	6.19	16.73	8.69	12.89	7.85	11.23	-1.33	13.78
S & P MidCap 400 Index <sup>1,3,5,12</sup>	N/A	- / -		-0.39	3.94	20.92	9.36	13.32	8.96	3.94	20.92	9.36	13.32	8.96	20.74	-2.18	9.77
<b>Large Cap</b>																	
Calvert Equity Portfolio A <sup>16,18</sup>	CSIEX	1.09 / 1.09	08-24-1987	1.10	6.89	8.99	8.01	10.43	7.54	6.89	8.99	8.01	10.43	7.54	2.32	3.68	11.04
Calvert Equity I <sup>16</sup>	CEYIX	0.72 / 0.70	11-01-1999	1.15	7.01	9.42	8.48	10.96	8.10	7.01	9.42	8.48	10.96	8.10	2.71	4.19	11.57

## Franklin Northeast Supervisory Union 403(b) Plan - 96520-01 (Continued)

INVESTMENT OPTION	Ticker	Gross/Net Expense Ratio	Inception Date	Returns as of Month Ending 03/31/2017					Returns as of Quarter Ending 03/31/2017					Calendar Year Returns			
				1 Month YTD	1 Year	3 Year	5 Year	10 Year/ Since Inception	3 Month Year	1 Year	3 Year	5 Year	10 Year/ Since Inception	2016	2015	2014	
Vanguard Institutional Index I <sup>16</sup>	VINIX	0.04 / 0.04	07-31-1990	0.11	6.05	17.13	10.34	13.27	7.51	6.05	17.13	10.34	13.27	7.51	11.93	1.37	13.65
S & P 500 Index <sup>1,3,5,11</sup>	N/A	- / -		0.12	6.07	17.17	10.37	13.30	7.51	6.07	17.17	10.37	13.30	7.51	11.96	1.38	13.69

### Bond

PIMCO Total Return ESG Instl <sup>8,16</sup>	PTSAX	0.55 / 0.50	05-01-1991	-0.02	1.44	2.49	2.69	2.76	5.35	1.44	2.49	2.69	2.76	5.35	2.96	0.41	4.54
Vanguard Total Bond Market Index Inst <sup>8,16</sup>	VBPIX	0.05 / 0.05	09-18-1995	-0.06	0.91	0.44	2.61	2.28	4.26	0.91	0.44	2.61	2.28	4.26	2.61	0.41	5.91
Barclays Capital Aggregate Bond Index <sup>1,3,5,14</sup>	N/A	- / -		-0.05	0.82	0.44	2.68	2.34	4.27	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97

### Current Fixed Rate(s)

Great-West Portfolio Fund:<sup>4,17</sup> 1.35%

These returns and fund operating expenses are expressed as percentages. 3, 5 and 10 Year/Since Inception returns shown are annualized. For 10 Year/Since Inception, if the fund was not in existence for 10 years, returns shown are since inception. If the fund is less than one year old, returns are not annualized.

Performance returns reflect deduction for fund operating expenses. Your Plan may also assess an administrative fee which would further reduce the performance shown above.

For information related to investments in your Self-Directed Brokerage (SDB) account, contact Charles Schwab at [www.schwab.com](http://www.schwab.com) or 1-888-393-7272.

Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. For more information, see the fund's prospectus and/or disclosure documents.

Core securities (except those offered through the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Financial. Securities available through Schwab Personal Choice Retirement Account(R) (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.

With the exception of the Self Directed Brokerage Account, securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

You will receive a separate statement from your Self-Directed Brokerage Account (SDBA) provider (depending on the provider and/or the activity within your SDBA) that will detail the investment holdings and activity within your SDBA, including any fees and charges imposed in connection with the SDBA.

Empower Retirement(TM) refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by GWL&A.

Expense ratios provided are the Funds' total annual operating expense ratios, gross of any fee waivers or expense reimbursement.

<sup>1</sup> Performance returns were not available at the time of production. Performance returns will be published once the information becomes available.

<sup>2</sup> Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

<sup>3</sup> A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

<sup>4</sup> This fixed fund is offered through a group fixed and variable deferred annuity contract issued by Great-West Life & Annuity Insurance Company. A ticker symbol is not available for this investment option.

<sup>5</sup> Benchmark index returns are supplied by Morningstar, Inc. There may be another benchmark that is more specific to each of the funds listed under the broad asset class. Please refer to the fund's prospectus for more specific information as to the fund's actual benchmark index.

<sup>6</sup> Foreign funds involve special risks, including currency fluctuations and political developments.

<sup>7</sup> Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

## Franklin Northeast Supervisory Union 403(b) Plan - 96520-01 (Continued)

<sup>8</sup> Compared to higher-rated securities, high yield bond investment options are subject to greater risk, including the risk of default. A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.

<sup>9</sup> Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.

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<sup>12</sup> S&P MidCap 400® Index is an unmanaged index considered indicative of the domestic Mid-Cap equity market. "Standard & Poor's®", "S&P®", "S&P 400®", and "Standard & Poor's 400®" are registered trademarks of Standard & Poor's Financial Services LLC ("Standard & Poor's").

<sup>13</sup> Russell 2000® Index is a trademark of Russell Investments and is an unmanaged index considered indicative of the domestic Small-Cap equity market.

<sup>14</sup> Barclays Capital U.S. Aggregate Bond Index is an unmanaged index representative of the broad bond market and is composed of government and corporate bonds, mortgage-backed bonds and asset-backed bonds.

<sup>15</sup> The Fund has a Contractual Expense Ratio Waiver in the amount of .08% which expires on 31-DEC-2017.

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<sup>17</sup> The Great-West Portfolio Fund is backed by the general assets of GWL&A.

<sup>18</sup> This investment option is no longer available.

# Franklin Northeast Supervisory Union 403(b) Plan - 96520-01

## Investment Performance as of 03/31/2017



Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month-end, please visit [www.VTRetirementSavings.com](http://www.VTRetirementSavings.com).

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about investments offered through your plan, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from your registered representative or Plan website. For prospectuses related to investments in your Self-Directed Brokerage Account (SDBA), contact your SDBA provider. Read them carefully before investing.

For additional fund information, please refer to the Fund Fact Sheet or Prospectus.

INVESTMENT OPTION	Ticker	Gross/Net Expense Ratio	Inception Date	Returns as of Month Ending 03/31/2017						Returns as of Quarter Ending 03/31/2017					Calendar Year Returns		
				1 Month	YTD	1 Year	3 Year	5 Year	10 Year/ Since Inception	3 Month	1 Year	3 Year	5 Year	10 Year/ Since Inception	2016	2015	2014
<b>Asset Allocation</b>																	
T. Rowe Price 2010 Fund <sup>2,16</sup>	TRRAX	0.59 / 0.59	09-30-2002	0.50	3.75	8.55	4.42	6.19	4.97	3.75	8.55	4.42	6.19	4.97	7.11	-0.76	4.99
T. Rowe Price 2020 Fund <sup>2,16</sup>	TRRBX	0.66 / 0.66	09-30-2002	0.80	5.00	11.14	5.33	7.87	5.53	5.00	11.14	5.33	7.87	5.53	7.41	-0.31	5.63
T. Rowe Price 2030 Fund <sup>2,16</sup>	TRRCX	0.72 / 0.72	09-30-2002	1.01	6.08	13.35	6.07	9.18	5.90	6.08	13.35	6.07	9.18	5.90	7.69	-0.02	6.05
T. Rowe Price 2040 Fund <sup>2,16</sup>	TRRDY	0.76 / 0.76	09-30-2002	1.18	6.89	14.90	6.46	9.88	6.17	6.89	14.90	6.46	9.88	6.17	7.63	0.17	6.18
T. Rowe Price 2050 Fund <sup>2,16</sup>	TRRMX	0.76 / 0.76	12-29-2006	1.22	6.93	15.08	6.52	9.91	6.18	6.93	15.08	6.52	9.91	6.18	7.71	0.19	6.19
T. Rowe Price 2060 Fund <sup>2,16</sup>	TRRLX	0.76 / 0.76	06-23-2014	1.21	6.90	15.06	N/A	N/A	5.40	6.90	15.06	N/A	N/A	5.40	7.63	0.24	N/A
T. Rowe Price Balanced Fund <sup>2,16</sup>	TRRIX	0.57 / 0.57	09-30-2002	0.49	3.39	7.68	3.83	5.14	4.72	3.39	7.68	3.83	5.14	4.72	6.48	-0.74	3.91
<b>International</b>																	
Pax Global Envrnmntl Mkts Instl <sup>6,15,16</sup>	PGINX	1.06 / 0.98	03-27-2008	1.00	6.72	15.77	4.35	9.51	5.35	6.72	15.77	4.35	9.51	5.35	10.91	-1.21	-2.53
Vanguard Total Intl Stock Index Inv <sup>6,16</sup>	VGTSX	0.18 / 0.18	04-29-1996	2.82	8.41	13.65	1.02	4.75	1.32	8.41	13.65	1.02	4.75	1.32	4.65	-4.37	-4.24
MSCI EAFE Index <sup>3,5,10</sup>	N/A	- / -		2.75	7.25	11.67	0.50	5.83	1.05	7.25	11.67	0.50	5.83	1.05	1.00	-0.81	-4.90
<b>Small Cap</b>																	
Vanguard Small-Cap Index Fund - Inv <sup>7,16</sup>	NAESX	0.20 / 0.20	10-03-1960	-0.24	3.70	21.36	7.27	12.74	8.06	3.70	21.36	7.27	12.74	8.06	18.17	-3.78	7.37
Russell 2000 Index <sup>3,5,13</sup>	N/A	- / -		0.13	2.47	26.22	7.22	12.35	7.12	2.47	26.22	7.22	12.35	7.12	21.31	-4.41	4.89
<b>Mid Cap</b>																	
Vanguard Mid Cap Index Ins <sup>9,16</sup>	VMCIX	0.07 / 0.07	05-21-1998	0.02	6.19	16.73	8.69	12.89	7.85	6.19	16.73	8.69	12.89	7.85	11.23	-1.33	13.78
S & P MidCap 400 Index <sup>3,5,12</sup>	N/A	- / -		-0.39	3.94	20.92	9.36	13.32	8.96	3.94	20.92	9.36	13.32	8.96	20.74	-2.18	9.77
<b>Large Cap</b>																	
Calvert Equity Portfolio A <sup>16,18</sup>	CSIEX	1.09 / 1.09	08-24-1987	1.10	6.89	8.99	8.01	10.43	7.54	6.89	8.99	8.01	10.43	7.54	2.32	3.68	11.04
Calvert Equity I <sup>16</sup>	CEYIX	0.72 / 0.70	11-01-1999	1.15	7.01	9.42	8.48	10.96	8.10	7.01	9.42	8.48	10.96	8.10	2.71	4.19	11.57

## Franklin Northeast Supervisory Union 403(b) Plan - 96520-01 (Continued)

INVESTMENT OPTION	Ticker	Gross/Net Expense Ratio	Inception Date	Returns as of Month Ending 03/31/2017					Returns as of Quarter Ending 03/31/2017					Calendar Year Returns			
				1 Month YTD	1 Year	3 Year	5 Year	10 Year/ Since Inception	3 Month Year	1 Year	3 Year	5 Year	10 Year/ Since Inception	2016	2015	2014	
Vanguard Institutional Index I <sup>16</sup>	VINIX	0.04 / 0.04	07-31-1990	0.11	6.05	17.13	10.34	13.27	7.51	6.05	17.13	10.34	13.27	7.51	11.93	1.37	13.65
S & P 500 Index <sup>3,5,11</sup>	N/A	- / -		0.12	6.07	17.17	10.37	13.30	7.51	6.07	17.17	10.37	13.30	7.51	11.96	1.38	13.69
<b>Bond</b>																	
PIMCO Total Return ESG Instl <sup>8,16</sup>	PTSAX	0.55 / 0.50	05-01-1991	-0.02	1.44	2.49	2.69	2.76	5.35	1.44	2.49	2.69	2.76	5.35	2.96	0.41	4.54
Vanguard Total Bond Market Index Inst <sup>8,16</sup>	VBPIX	0.05 / 0.05	09-18-1995	-0.06	0.91	0.44	2.61	2.28	4.26	0.91	0.44	2.61	2.28	4.26	2.61	0.41	5.91
Barclays Capital Aggregate Bond Index <sup>3,5,14</sup>	N/A	- / -		-0.05	0.82	0.44	2.68	2.34	4.27	0.82	0.44	2.68	2.34	4.27	2.65	0.55	5.97
<b>Current Fixed Rate(s)</b>																	
Great-West Portfolio Fund: <sup>4,17</sup>	1.35%																

These returns and fund operating expenses are expressed as percentages. 3, 5 and 10 Year/Since Inception returns shown are annualized. For 10 Year/Since Inception, if the fund was not in existence for 10 years, returns shown are since inception. If the fund is less than one year old, returns are not annualized.

Returns reflect deduction of fund expenses. Your Plan may have higher or lower fund expenses and may assess a plan administrative fee that was not deducted in the returns shown.

For information related to investments in your Self-Directed Brokerage (SDB) account, contact Charles Schwab at [www.schwab.com](http://www.schwab.com) or 1-888-393-7272.

Funds may impose redemption fees and/or transfer restrictions if assets are held for less than the published holding period. For more information, see the fund's prospectus and/or disclosure documents.

Core securities (except those offered through the self-directed brokerage option), when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Financial. Securities available through Schwab Personal Choice Retirement Account(R) (PCRA) are offered through Charles Schwab & Co., Inc. (Member SIPC), a registered broker-dealer. Additional information can be obtained by calling (888) 393-7272. Charles Schwab & Co., Inc. and GWFS Equities, Inc. are separate and unaffiliated.

With the exception of the Self Directed Brokerage Account, securities, when offered, are offered through GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution, and administrative services.

You will receive a separate statement from your Self-Directed Brokerage Account (SDBA) provider (depending on the provider and/or the activity within your SDBA) that will detail the investment holdings and activity within your SDBA, including any fees and charges imposed in connection with the SDBA.

Empower Retirement(TM) refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. The trademarks, logos, service marks, and design elements used are owned by GWL&A.

Expense ratios provided are the Funds' total annual operating expense ratios, gross of any fee waivers or expense reimbursement.

<sup>2</sup> Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

<sup>3</sup> A benchmark index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Therefore, performance of a fund will generally be less than its benchmark index. You cannot invest directly in a benchmark index.

<sup>4</sup> This fixed fund is offered through a group fixed and variable deferred annuity contract issued by Great-West Life & Annuity Insurance Company. A ticker symbol is not available for this investment option.

<sup>5</sup> Benchmark index returns are supplied by Morningstar, Inc. There may be another benchmark that is more specific to each of the funds listed under the broad asset class. Please refer to the fund's prospectus for more specific information as to the fund's actual benchmark index.

<sup>6</sup> Foreign funds involve special risks, including currency fluctuations and political developments.

<sup>7</sup> Equity securities of small-sized companies may be more volatile than securities of larger, more established companies.

<sup>8</sup> Compared to higher-rated securities, high yield bond investment options are subject to greater risk, including the risk of default. A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market

## Franklin Northeast Supervisory Union 403(b) Plan - 96520-01 (Continued)

*conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.*

<sup>9</sup> *Equity securities of medium-sized companies may be more volatile than securities of larger, more established companies.*

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<sup>11</sup> *S&P 500® Index is an unmanaged index considered indicative of the domestic Large-Cap equity market. "Standard & Poor's®", "S&P®", "S&P 500®", and "Standard & Poor's 500®" are registered trademarks of Standard & Poor's Financial Services LLC ("Standard & Poor's").*

<sup>12</sup> *S&P MidCap 400® Index is an unmanaged index considered indicative of the domestic Mid-Cap equity market. "Standard & Poor's®", "S&P®", "S&P 400®", and "Standard & Poor's 400®" are registered trademarks of Standard & Poor's Financial Services LLC ("Standard & Poor's").*

<sup>13</sup> *Russell 2000® Index is a trademark of Russell Investments and is an unmanaged index considered indicative of the domestic Small-Cap equity market.*

<sup>14</sup> *Barclays Capital U.S. Aggregate Bond Index is an unmanaged index representative of the broad bond market and is composed of government and corporate bonds, mortgage-backed bonds and asset-backed bonds.*

<sup>15</sup> *The Fund has a Contractual Expense Ratio Waiver in the amount of .08% which expires on 31-DEC-2017.*

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<sup>17</sup> *The Great-West Portfolio Fund is backed by the general assets of GWL&A.*

<sup>18</sup> *This investment option is no longer available.*